

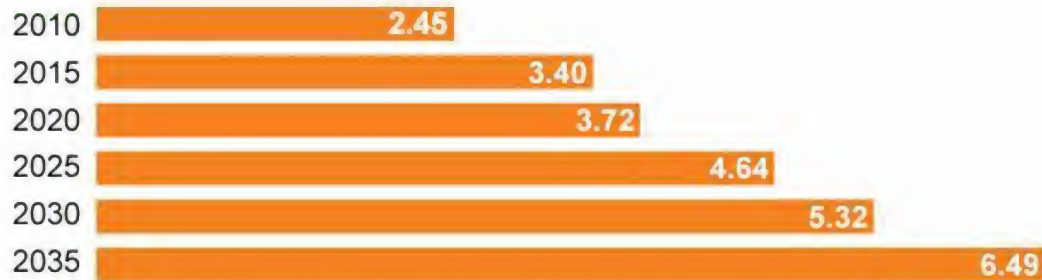
Atlantic Coast Pipeline

NC Department of Commerce
September 13, 2017



Atlantic
Coast
Pipeline

Virginia and North Carolina Natural Gas Demand (in billion ft³/day)



Total natural gas demand in our region is estimated to rise at **3.5 percent** annually, **increasing nearly 165 percent** from 2010 to 2035.

Source: *The Economic Impacts of the Atlantic Coast Pipeline*, ICF International, February 2015

By 2025, the U.S. Census Bureau predicts a population increase of:

■ **1.8M in Virginia**

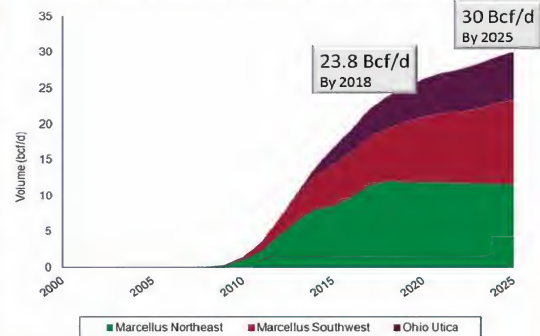
■ **2.1M in North Carolina**

Abundant Supply of Natural Gas

- Marcellus Basin
- Utica Basin
- Dominion Transmission Pipeline
- Dominion Underground Storage Pools
- Atlantic Coast Pipeline



Gas Production Forecast for Key Northeast Shales



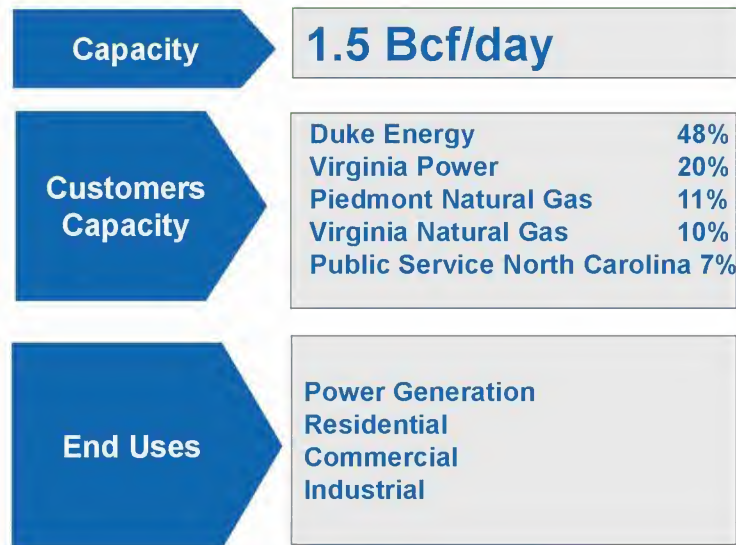
Source: Wood Mackenzie

Atlantic Coast Pipeline

Ownership, Structure and Timeline

| | | | | | | | | | | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------|---------------------------|----------------|--------------------------|-----------|------------------------------------------------------------|---------------------------|--|
| Ownership Structure | <table><tr><td>Dominion Resources*</td><td>48%</td></tr><tr><td>Duke/Piedmont Natural Gas</td><td>47%</td></tr><tr><td>Southern Company Gas</td><td>5%</td></tr></table> | Dominion Resources* | 48% | Duke/Piedmont Natural Gas | 47% | Southern Company Gas | 5% | * Dominion will construct, operate and manage the pipeline | | |
| Dominion Resources* | 48% | | | | | | | | | |
| Duke/Piedmont Natural Gas | 47% | | | | | | | | | |
| Southern Company Gas | 5% | | | | | | | | | |
| Estimated Cost | \$5 - \$5.5 billion** | ** Excludes financing costs | | | | | | | | |
| Projected Timeline | <table><tr><td>Submit FERC pre-filing</td><td>October 2014</td></tr><tr><td>File FERC application</td><td>September 2015</td></tr><tr><td>Receive FERC Certificate</td><td>Fall 2017</td></tr><tr><td>In-Service</td><td>2nd half 2019</td></tr></table> | Submit FERC pre-filing | October 2014 | File FERC application | September 2015 | Receive FERC Certificate | Fall 2017 | In-Service | 2 nd half 2019 | |
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| File FERC application | September 2015 | | | | | | | | | |
| Receive FERC Certificate | Fall 2017 | | | | | | | | | |
| In-Service | 2 nd half 2019 | | | | | | | | | |

Project Customers



ACP Project Details

Length: Approximately 600 miles

Pipe: West Virginia: 42-inch diameter
Virginia: 42-inch diameter
North Carolina: 36-inch diameter
Secondary line: 20-inch diameter

Capacity: 1.5 billion cubic feet/day

Three compressor station locations:

1. Lewis County, West Virginia
2. Buckingham County, Virginia
3. Northampton County, North Carolina

Route: Dominion has collected data through surveys and consultations with landowners and other stakeholders to determine the best route with the least impact to the environment, and to historic and cultural resources.

Economic Analysis*

North Carolina

200 miles of pipeline through eight counties

Total capital expenditures: \$1.2 billion

Construction

- ❑ Economic activity: \$680.2 million total
- ❑ Jobs: 4,426
- ❑ Local tax revenue: \$1.1 million annually

Operations

- ❑ Energy cost savings: \$134 million annually
- ❑ Economic activity: \$11.7 million annually
- ❑ Jobs: 925
- ❑ Local tax revenue: \$6 million annually

* Analysis provided by ICF International, Chmura Economics & Analysis, and Dominion Resources.

**Atlantic
Coast
Pipeline**

Tax Benefits to Northampton County

In 2022, the full value of the project will be reflected in tax payments estimated as follows

North Carolina counties (total for all)

- ☐ Miles of pipeline: 200
- ☐ Estimated 2022 property tax payments \$7.7 million

Northampton County

- ☐ Miles of pipeline: 22 + comp station
- ☐ Estimated 2022 property tax payments \$1.6 million

One of the local benefits of the Atlantic Coast Pipeline project will be the annual property taxes paid to every county and municipality through which the pipeline will run. Those taxes will begin at a low level in 2015 and grow as the pipeline work continues

The estimates are based on:

The latest available tax rates and assessment ratios by each county.

Current income, expense and capital estimates.

All numbers are subject to revision and change

Changes in the construction schedules may affect the amount and distribution of the property tax payments in any given year

The actual tax payments will be determined by the taxing authorities.

Tax Benefits to Halifax County

In 2022, the full value of the project will be reflected in tax payments estimated as follows

North Carolina counties (total for all)

| | |
|----------------------------------------|---------------|
| ☐ Miles of pipeline: | 200 |
| ☐ Estimated 2022 property tax payments | \$7.7 million |

Halifax County

| | |
|----------------------------------------|-----------|
| ☐ Miles of pipeline: | 24 |
| ☐ Estimated 2022 property tax payments | \$762,500 |

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Tax Benefits to Nash County

In 2022, the full value of the project will be reflected in tax payments estimated as follows

North Carolina counties (total for all)

| | |
|----------------------------------------|---------------|
| ☐ Miles of pipeline: | 200 |
| ☐ Estimated 2022 property tax payments | \$7.7 million |

Nash County

| | |
|----------------------------------------|-------------|
| ☐ Miles of pipeline: | 32 |
| ☐ Estimated 2022 property tax payments | \$1 million |

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Tax Benefits to Wilson County

In 2022, the full value of the project will be reflected in tax payments estimated as follows

North Carolina counties (total for all)

- ▣ Miles of pipeline: 200
- ▣ Estimated 2022 property tax payments \$7.7 million

Wilson County

- Miles of pipeline: 12
- Estimated 2022 property tax payments \$406,500

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Tax Benefits to Johnston County

In 2022, the full value of the project will be reflected in tax payments estimated as follows

North Carolina counties (total for all)

| | |
|----------------------------------------|---------------|
| ☐ Miles of pipeline: | 200 |
| ☐ Estimated 2022 property tax payments | \$7.7 million |

Johnston County

| | |
|----------------------------------------|---------------|
| ☐ Miles of pipeline: | 37 |
| ☐ Estimated 2022 property tax payments | \$1.4 million |

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Tax Benefits to Cumberland County

In 2022, the full value of the project will be reflected in tax payments estimated as follows

North Carolina counties (total for all)

- ☐ Miles of pipeline: 194
- ☐ Estimated 2022 property tax payments \$6 million

Cumberland County

- ☐ Miles of pipeline: 38
- ☐ Estimated 2022 property tax payments \$1 million

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Tax Benefits to Sampson County

In 2022, the full value of the project will be reflected in tax payments estimated as follows

North Carolina counties (total for all)

| | |
|----------------------------------------|---------------|
| ☐ Miles of pipeline: | 200 |
| ☐ Estimated 2022 property tax payments | \$7.7 million |

Sampson County

| | |
|----------------------------------------|-----------|
| ☐ Miles of pipeline: | 8 |
| ☐ Estimated 2022 property tax payments | \$286,500 |

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Tax Benefits to Robeson County

In 2022, the full value of the project will be reflected in tax payments estimated as follows

North Carolina counties (total for all)

- ▣ Miles of pipeline: 200
- ▣ Estimated 2022 property tax payments \$7.7 million

Robeson County

- Miles of pipeline: 22
- Estimated 2022 property tax payments \$891,500

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Current income, expense and capital estimates.

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Changes in the construction schedules may affect the amount and distribution of the property tax payments in any given year

The actual tax payments will be determined by the taxing authorities.

Thorough & Exhaustive Process

- 3-year process
- 150,000+ pages submitted to agencies
- 60,000+ public comments
- 50+ public meetings
- 6,000+ miles of potential routes evaluated
- 300+ route adjustments
- Dozens of local, state & federal agencies

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Progress Update

- Surveying: 98+ percent complete
- Easements: 70+ percent complete
- Pipe Production: 80 percent complete
- Land, materials & services: 85+ percent complete

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Project Timeline



Special Considerations: Agriculture

- ❑ Pipeline has four feet of cover to allow planting/plowing
- ❑ Compensation rate of 200% for annual crop loss
- ❑ Valuation of construction impact on loss of timber, Christmas trees and vineyards under development
- ❑ Fencing, row crops, and livestock: all allowable uses of right-of-way



Special Considerations: Timber

- ❑ Typically, Dominion will purchase and take ownership of timber, unless another agreement has been reached with the landowner
- ❑ An independent 3rd party completes an inventory of the property
 - Evaluate by species and diameter
 - Provide current market value



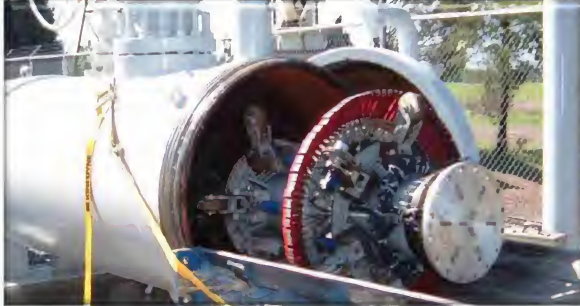
Project Benefits

- ❑ Reliability and diversity of supply
- ❑ Cleaner air
- ❑ Economic development activity potential
- ❑ Economic activity during construction and operation
- ❑ Support growth of intermittent renewable power sources
- ❑ Employment opportunities
- ❑ Property tax revenues



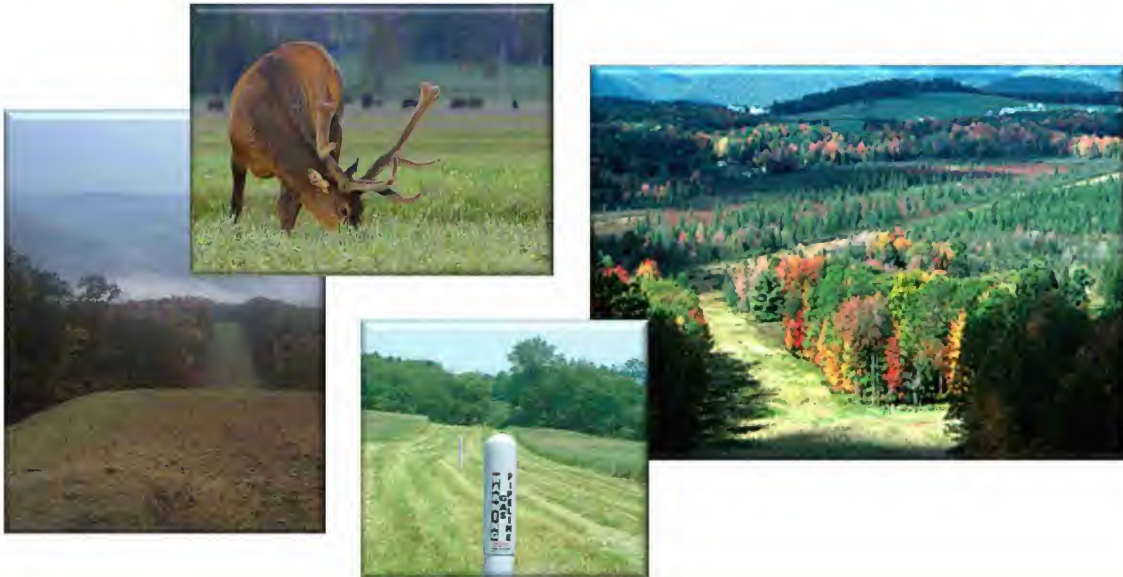
Project Priority: Safety

- ❑ Rigorous federal and state testing protocols
- ❑ Pipeline welds are X-rayed
- ❑ Thorough inspections and pressure tests prior to operation



- ❑ Government-mandated operator qualification standards
- ❑ Community awareness programs
- ❑ Coordination with local emergency responders
- ❑ 24/7 monitoring from Dominion gas control center

Right of Way



Environmental Permits/Authorizations: North Carolina

| Anticipated North Carolina Environmental Permits & Authorizations | |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Permit/Approval | Agency |
| Clean Water Act – Section 401 Water Quality Certification | North Carolina Division of Water Resources – Wetlands Branch |
| Isolated wetland/Other Non 404 Jurisdictional Wetlands/Waters | North Carolina Division of Water Resources – Wetlands Branch |
| North Carolina National Pollutant Discharge Elimination System – General Stormwater Permit (NCG 01) | North Carolina Department of Environment and Natural Resources – Division of Water Quality |
| North Carolina Stormwater General Permit SWG 04 – For Linear Utility Projects | North Carolina Department of Environment and Natural Resources – Division of Water Quality |
| North Carolina Construction and Operation Permit (Air Permit) | North Carolina Department of Environment and Natural Resources – Division of Air Quality |
| National Historic Preservation Act Section 106 Clearance/Approval | North Carolina State Historic Preservation Office |
| Native American Consultations | Multiple |
| State Endangered Species Clearance | North Carolina Wildlife Resources Commission – Division of Wildlife Management |

NC Governmental Support

- U.S. Sen. Richard Burr
- U.S. Sen. Thom Tillis
- U.S. Rep. Richard Hudson
- U.S. Rep. David Rouzer
- U.S. Rep. George Holding,
- U.S. Rep. Robert Pittenger
- U.S. Rep. Mike McIntyre (former)
- U.S. Rep. Renee Ellmers, (former)
- Governor Pat McCrory (former)
- Lt. Gov. Dan Forest
- Rep. Kenneth Goodman
- Rep. Bobbie Richardson
- Rep. Charles Graham
- Rep. James Langdon, Jr.
- Rep. Marvin Lucas
- Rep. Michael Wray
- Rep. Tim Moore, Speaker of the House
- Rep. John Szoka
- Rep. Paul Tine (former)
- Rep. Ken Waddell
- Sen. Angela Bryant
- Sen. Brent Jackson
- Sen. Buck Newton (former)
- Sen. Ronald Rabin
- Sen. Bill Rabon
- Rep. Brendan Jones
- Sen. Danny Britt
- Sen. Jane Smith (former)
- Sen. Eric Smith-Ingram
- Sen. Michael Walters (former)
- Rep. N. Leo Daughtry (former)
- Robeson County
- Sampson County
- Northampton County
- Johnston County
- Halifax County
- Cumberland County
- Harnett County
- Columbus County
- City Council of Roanoke Rapids
- City Council of Lumberton
- City Council of Pembroke
- Town of Benson
- City of Rocky Mount
- Rocky Mount Utilities Board
- Town of Four Oaks
- Town of Selma
- Town of Princeton
- Town of Spring Lake
- Town of Red Springs
- Fayetteville Public Works Commission

EnergySure Members (NC)

- Carolinas Gateway Partnership
- NCEast Alliance
- NC Chamber of Commerce
- NC Northeast Alliance
- PCS Phosphate Company, Inc.,
- Kordsa, Inc.,
- Skyware Global
- Roanoke Valley Chamber of Commerce
- Almanac American Knits, LLC,
- Greater Smithfield-Selma Area Chamber of Commerce
- Trinity Manufacturing
- Fayetteville Regional Chamber of Commerce
- PPG Fiber Glass
- NC's Electric Cooperatives
- Halifax County Economic Development Commission
- NC Economic Developers Assoc.
- IBEW
- NC's Southeast
- Southeast Halifax Coalition,
- NUCOR
- Four Oaks Bank
- Johnston County Economic Development Commission
- MJ Price Construction
- Northampton County Economic Development Commission
- Barnhill Contracting Company
- Valley Proteins, Inc.
- Bridgestone Americas Tire Plant, Wilson
- Leadership North Carolina
- Research Triangle Region
- Ardagh Glass, Inc.
- Research Triangle Regional Partnership (Economic Development Advisory Committee)
- Wilson Economic Development Council
- NC Manufacturers Alliance
- Smithfield Foods
- NC Technology Associations
- O'Brien Atkins Architects
- SEPI Engineering
- NC Pork Council
- Stephenson General Contractors
- Waste Management
- NC Petroleum Council
- Gregory Poole Equipment
- NC Railroad Company
- Nexsen Pruet
- Sanford Holshouser